

# Canadian Journalism Fund Proposal

## FACT SHEET

### Overview

On June 16, 2017, News Media Canada, on behalf of the industry, submitted a proposal to Heritage Minister Mélanie Joly.

We believe that a country as broad and diverse as Canada needs career journalists to cover the stories that might otherwise go unreported. Communities need to be covered by people whose job it is to find and tell these stories, relay them with a mandate to tell the truth, follow the story and hold public officials accountable. Stories must be told by those with access and expertise, who are not anonymous and are themselves accountable for every fact they report and comment they publish, and who base their careers on these principles.

At this critical time in the industry, when distinct Canadian voices are at risk of being silenced forever, we ask the Canadian government to modernize the existing Canada Periodical Fund in order to help allay the costs of always-on journalism to ensure the ongoing coverage of critical issues and give the industry more time to innovate and navigate ways through this challenge to preserve a cornerstone of our democracy.

### Background

- Freedom of the press is a fundamental freedom in the Canadian Charter of Rights and Freedoms.
- The news media industry in Canada is under threat from competitors with bigger reach and development budgets but no real stakes in Canadian democracy.
- The Canadian Film or Video Production Tax Credit is worth approximately \$250 million a year, with another \$100 million+ going to the Film or Video Production Services Tax Credit. Federal agencies also support the film production business, including Telefilm, which receives a nearly \$100 million Parliamentary appropriation annually.
- Revenues from traditional sources have been falling precipitously. New revenue streams are finding traction but not fast enough to transition to a new business model.
- The proliferation of “fake news” and the ease of its dissemination have highlighted the need for support of real news in our country.
- Without additional support at this critical time, the industry will face an accelerated erosion of Canadian journalism.

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### Elements of the Proposal

- To qualify for funding, an organization/publication must be:
  - a Canadian corporation primarily in the business of producing original journalism in print and/or digital forms;
  - a taxable Canadian corporation the activities of which are carried on through a permanent establishment in Canada;
  - majority owned and controlled by Canadians or otherwise meet the requirements of Section 19 of the Income Tax Act;
  - edited, designed, assembled and published in Canada, be directed primarily at Canadian audiences in Canada and have completed at least one uninterrupted 12-month publishing cycle before the time of its first application; and
  - engaged in significant and regular coverage of democratic bodies/institutions and civic function journalism.
- Eligible expenditures include:
  - labour costs of all journalists, staff or contractors/freelancers, directly involved in reporting, editing, design, lay-out, photography, videography, infographics, digital discovery and dissemination and other methods of producing journalism and digitally matching content and audiences;
  - certain expenses related to the production of journalism including editorial legal costs, insurance and travel.
- Not less than 75% of all eligible editorial costs must be payable to individuals who are Canadian or personal services companies that are Canadian.
- No publication can qualify for both the Aid to Periodicals and Canadian Civic News components.
- Funds received from CJF cannot be put toward non-editorial corporate uses such as dividends, interest payments and executive compensation.